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DE RUEHTH #1059/01 1430550 ZNY CCCCC ZZH O 230550Z MAY 07 FM AMEMBASSY ATHENS TO RUEHC/SECSTATE WASHDC IMMEDIATE 9197 INFO RUEHZG/NATO EU COLLECTIVE PRIORITY RUEHNC/AMEMBASSY NICOSIA PRIORITY 2851 RUEKJCS/OSD WASHINGTON DC PRIORITY

CONFIDENTIAL ATHENS 001059

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E.O. 12958: DECL: 05/22/2017

TAGS: CY GR MARR MAS PARM PGOV PREL TU NATO

SUBJECT: CYPRUS ARMS: LETTERS EXCHANGED

REF: A. SECSTATE 60882

1B. ATHENS 772

¶C. SECSTATE 41819

1D. SECSTATE 35756 (OR 35757)

1E. ATHENS 00385

¶F. ATHENS 00110

¶G. 2006 ATHENS 02884

1H. 2006 SECSTATE 165770

Classified By: AMBASSADOR CHARLES RIES. REASONS 1.4 (B) AND (D).

- ¶1. (U) This is action request for Department. See paragraph <u>¶</u>4.
- 12. (C) On May 21, Ambassador received from MFA Secretary General Ambassador Charalambos Rocanas a letter outlining the Greek plan to resolve the issue of the illegal transfer of U.S.-origin equipment to Cyprus in violation of Section 3 of the Arms Export Control Act, as amended, and sections 505 and 620C of the Foreign Assistance Act of 1961, as amended (see paragraph 5 below for the text of the letter). The letter, which had been the subject of negotiations between the U.S. and Greece since February, met all the conditions stipulated by the United States and the wording was precisely as stipulated in STATE 60882 (refs a-e). On May 22, as per instructions (refs. a-e), Ambassador provided a response to Rocanas acknowledging receipt of the Greek letter and reiterating key U.S. concerns (see paragraph 6 below for text of Ambassador's response).
- $\underline{\mathbf{1}}$ 3. (C) With the exchange of letters complete, the implementation of the Greek plan should now move into its main phase. In accordance with the arrangement the Ambassador reached with Greek CHOD Admiral Chinofotis in January, 2007 (ref. f), Embassy will confirm with the Greeks a date for the initial implementation-verification visit to Cyprus by U.S. personnel. Embassy believes this visit would be most appropriate in late June, once the Greeks have had an opportunity to implement some elements of their plan but before the implementation was so far advanced as to make any needed changes difficult. The Greeks have asked that the number of Americans on the initial verification visit be kept to three or four to avoid unnecessary press attention to the visit. We envision two personnel from Embassy Athens and two from Washington.
- 14. (C) ACTION REQUEST: Embassy requests Department identify two U.S. officials to participate in the initial verification visit to Cyprus, notionally anticipated for late June. will be important that the Washington officials be both knowledgeable of U.S. legal requirements and prepared to make immediate recommendations to the Greeks about implementation measures.
- 15. (SBU) BEGIN TEXT OF ROCANAS LETTER:

Athens, May 18, 2007

Dear Charlie:

It is hereby confirmed that any defense articles provided by the United States to Greece pursuant to agreements entered into prior to December 22, 1987, shall be placed in facilities under exclusive Greek command and control. All other defense articles provided by the United States to Greece, or provided by the United States to any other country or international organization and subsequently provided to Greece, shall be removed from Cyprus.

No personnel other than those of Greece or the United States may be provided access to any defense article that was provided by the United States to Greece, including any defense article provided by another government or international organization with the authorization of the United States, without explicit permission of the United States.

Any warehoused defense articles provided by the United States shall be under exclusive Greek command and control, which shall be maintained at all times, including after removal from storage.

Effective implementation of these measures may require a small incremental addition of personnel, which isQ expected to exceed 300.

The implementation of the above arrangements may be confirmed through visits in situ by U.S. personnel; such visits shall be facilitated by Greek military and civilian authorities whenever requested.

It is our expectation that the implementation and Verification by the United States of the aforementioned

arrangements will bring Greece into compliance with its obligations to the United States and lead to the removal of the constraints that the issue has placed on the relationship between the United States and the Government of Greece.

(signature) Charalambos Rocanas Ambassador

END TEXT OF ROCANAS LETTER

16. (SBU) BEGIN TEXT OF AMBASSADOR RIES RESPONSE:

May 22, 2007

Dear Ambassador Rocanas:

We have received your letter and find the proposed procedures regarding defense articles provided by the United States to be positive. We appreciate your willingness to confirm in writing that Greece will allow site visits by U.S. personnel for the purpose of verification that actions are in accordance with those procedures. As we noted in our conversation on February 22, 2007, and in subsequent conversations, certain conditions must be met before resolution of this issue is possible. Resolution of this issue will depend on the unequivocal action by the GOG to fulfill its obligations to the United States governing arms transfers. With the implementation of the following elements, and proper verification of such implementation, the Government of the United States of America will consider Greece to be in compliance with the aforementioned obligations to the United States with regard to the presence on Cyprus of defense articles provided by the United States:

-- All defense articles provided pursuant to agreements between the United States and Greece entered into after December 22, 1987, must be removed from Cyprus;

- -- There will be no co-location of U.S.-provided equipment with Cypriot equipment; if the U.S.-provided equipment under Greek control is close to or adjacent to a Cypriot National Guard facility, there must exist a substantial physical separation between the U.S.-provided and the Cypriot equipment with a distinct entrance/exit under exclusive Greek controd fgr access to the U.S.-provided equipment, which does not involve transit through such Ayprio4 facility;
- -- The U.S.-pr-Vided eQuipment shmUld be consolidated intoQ 4he feweqT fumb R gf facilities possible;
- -- The nueb R of guards must be sufficient to provide adequ!te securi4y and control in accordance with e8istinc obligations.

We remind you that no persons other than officers, employees, or agents of the Government of Greece or of the United States may be provided access to any defense articles provided by the United States.

We expect to consult with your Government should we believe that any of these elements are not being properly implemented or should we believe that the Government of Greece has violated its obligations to the United States with respect to the presence on Cyprus of defense articles provided by the United States.

Sincerely,

(signature)

Charles P. Ries

END TEXT OF RIES RESPONSE RIES